

**Minutes
City Council/Redevelopment Agency
City of Huntington Beach**

Monday, July 1, 2002
5:00 P.M. - Room B-8
7:00 P.M. - Council Chambers
Civic Center, 2000 Main Street
Huntington Beach, California 92648

An audiotape of the 5:00 p.m. portion of this meeting
and a videotape of the 7:00 p.m. portion of this meeting
are on file in the Office of the City Clerk.

Call to Order

Mayor Cook called the regular meetings of the City Council/Redevelopment Agency of the City of Huntington Beach to order at 5:00 p.m. in Room B8.

City Council/Redevelopment Agency Meeting Roll Call

Present: Dettloff, Boardman, Cook, Houchen, Winchell, Bauer (Green arrived at 5:03 p.m.)
Absent: None

(City Council) Study Session Held - Staff and Allied Arts Board Presentation Re: Public Art Elements for South Beach Improvements – Phase II – (900.10)

City Council Members Pam Houchen and Shirley Dettloff, liaisons to the Allied Arts Board, and Community Services Director Ron Hagan presented the public art elements under consideration for Phase II of the South Beach Improvements.

Community Services Director Hagan informed Council that the funding for both Phase I and Phase II of the South Beach Improvements came from the American Trader Oil Spill Litigation Fund and Parking Revenue Funds. Director Hagan stated that no General Funds were used with the exception of one federal grant to be used for trail improvement.

Council Members Houchen and Dettloff explained the selection process and their reasons for choosing the work of artist Donna Billick.

Director Hagan submitted a Late Communication titled *Donna Billick* and introduced Ms. Billick, artist, who gave a presentation showing samples of her various concepts and ideas for the proposed project. Ms. Billick explained that the Junior Lifeguards of Huntington Beach and other groups would join in a community involvement effort to prepare the artwork to be displayed.

Council Member Houchen thanked Donna Billick for her presentation.

Council Member Bauer mentioned that while the community is creating the art at the workshop, the city should do a video showing the progress from start to finish. Director Hagan responded that he will contact Rich Barnard, Director of Communications and Special Projects, to provide assistance with the video.

Mayor Cook thanked staff and Ms. Billick for their presentations.

Motion to Recess to Closed Session – Approved

A motion was made by Boardman, second Houchen to recess to Closed Session on the following items. The motion carried by the following roll call vote:

AYES: Green, Dettloff, Boardman, Cook, Houchen, Winchell, Bauer

NOES: None

(Redevelopment Agency) Closed Session – Pursuant to Government Code

Section 54956.9(a) to confer with its attorney regarding pending litigation which has been initiated formally and to which the agency is a party. The title of the litigation is **Mulligan v. Redevelopment Agency**; Orange County Superior Court Case No. 740099. Subject; **Mulligan v. Redevelopment Agency** (400.50)

(Redevelopment Agency) Closed Session – Pursuant to Government Code Section 54956.8

to give instructions to the Agency's Negotiators, **Ray Silver, David Biggs, Gus Duran and Murray Kane**; regarding negotiations with **John Givens and Shaul Kuba, Cim Group LLC**. The instructions concern a development and disposition amendment and implementation agreement concerning the sale and/or lease of the property located at **Blocks 104 & 105** (Bounded by PCH, Main Street, Walnut Avenue and 6th Street). Instruction will concern: Both price and terms of payment. Subject: **Real Property Negotiation Blocks 104 & 105, an area bounded by PCH. Walnut, Main & 6th Street in the City of Huntington Beach** (400.50)

(City Council) Closed Session – Pursuant to Government Code Section 54956.9(a) to confer with its attorney regarding pending litigation which has been initiated formally and to which the agency is a party. The title of the litigation is **Citizens Against Redevelopment Excess v. City of Huntington Beach [CARES II]; Orange County Superior Court Case No. 00CC14550;**

California Court of Appeal, Fourth Appellate District, Division Three, Case No. G030388. Subject: **Citizens Against Redevelopment Excess v. City of Huntington Beach** (120.80)

(City Council) Closed Session – Pursuant to Government Code Section 54956.9(a) to confer with its attorney regarding pending litigation which has been initiated formally and to which the agency is a party. The title of the litigation is **Huss, et al. v. City of Huntington Beach; U.S. District Court Case No. SACV 98-249 AHS (Anx). Subject: **Huss, et al. v. City of Huntington Beach** (120.80)**

(City Council) Closed Session – Pursuant to Government Code Section 54956.9(a) to confer with its attorney regarding pending litigation which has been initiated formally and to which the agency is a party. The title of the litigation **City of Huntington Beach v. Huntington Beach Police Officers Association; United States District Court, Case No. SA 01-1125 GLT. Subject: **City of Huntington Beach v. HBPOA [Gun Range]** (120.80)**

(City Council) Closed Session – Pursuant to Government Code Section 54956.9(c) to confer with its city attorney regarding pending litigation. Based on existing facts and circumstances, the legislative body of the local agency has decided to initiate or is deciding whether to initiate litigation. Number of Potential Cases: One. Subject: **Potential Litigation re Breach of Contract (120.80)**

(City Council) Closed Session – Pursuant to Government Code Section 54956.9(a) to confer with its attorney regarding pending litigation which has been initiated formally and to which the city is a party. The title of the litigation is **Opp v. City of Huntington Beach, et al.**; Court of Appeals, Fourth Appellate District, Division 3, Case No. G025947 (Opp I); and **Opp v. City of Huntington Beach, et al.**; Orange County Superior Court Case No. 748927 (Opp II). Subject: **Opp v. City of Huntington Beach, et al. (Opp I and Opp II).** (120.80)

Reconvened City Council/Redevelopment Agency Meeting – 7:10 P.M. - Council Chambers.

(City Council) City Attorney's Report of Action Taken by the City Council in Closed Session on July 1, 2002 (Pursuant to Government Code §54957.1(a) (2) Re: Huss, et al. v. City of Huntington Beach; U.S. District Court Case No. SACV 98-249 AHS (Anx) (120.80)

Assistant City Attorney Scott Field reported on action taken in closed session on the above captioned item. Subsequent to the meeting, the City Attorney's Office submitted the report of action on the above captioned item in its entirety as follows.

Assistant City Attorney Scott Field reported that on Monday, July 1, 2002, the City Council convened in closed session to discuss the matter of *Huss, et al. v. City of Huntington Beach*, United States District Court Case No. SACV 98-249 AHS (Anx).

Council voted to:

1. Authorize the City Attorney to appeal the judgment (if the Court denies the City's motions for new trial/judgment as a matter of law).
2. Further authorize the City Attorney and/or the City Treasurer to post a bond during the appeal, if the Court should require that a bond be posted.

The Council voted as follows: 6 Ayes; 1 No; 0 Abstentions. Ayes: Mayor Debbie Cook and Councilmembers Ralph Bauer, Connie Boardman, Shirley Dettloff, Peter Green, and Grace Winchell. No: Councilmember Pam Houchen.

This case arises under the Federal Fair Labor Standards Act and involved compensation for the four plaintiffs (Jeffrey Huss, Russell Reinhart, Tom Landreth and Dennis Plymale) for off-duty care of Police canines.

City Council/Redevelopment Agency Roll Call

Present: Green, Dettloff, Boardman, Cook, Houchen, Winchell, Bauer
Absent: None

Flag Ceremony and Pledge of Allegiance – Huntington Beach Junior Lifeguard Captains

The City Clerk Announced Late Communications

Pursuant to the Brown (Open Meetings) Act, the City Clerk announced Late Communications regarding agenda items that had been received by her office following distribution of the agenda packet:

Slide show presentation submitted by the Administrative Services Department to the City Clerk's Office on July 1, 2002 titled *Workforce Reduction Incentive Program*.

Communication dated July 1, 2002 from the Real Estate Services Division transmitting Exhibit B of the Park Bench Café Lease Agreement; the Insurance & Indemnification Waiver; and requesting Council direction to change dates in SECTION 5. TERM of the Lease Agreement. The Communication is titled *Late Communication – F-3*.

PowerPoint presentation submitted from the Community Services Department titled *Park Bench Café – Agenda Item F-3*.

Communication from Marcia Salans dated July 1, 2002 in support of the Huntington Beach Central Park Equestrian Center Lease Extension titled *Marcia Diane Salans and Peanut the Shetland Pony*.

Communication from Corinne Dekker dated July 1, 2002 in support of the Equestrian Center titled *Huntington Central Park Equestrian Center*.

PowerPoint Presentation submitted from the Community Services Department titled *Huntington Central Park Equestrian Center – Agenda Item F-5*.

The Following Additional Late Communication Was Submitted at the Meeting:

Brochure titled *Donna Billick* was submitted during the Study Session.

Presentation to Mayor Debbie Cook and Council, and Introductions were made by Keith Bohr, of the Sister City Association representatives of visiting Sister City Cultural Exchange Students and Chaperones from Anjo, and also introduced the American Sister City Cultural Exchange Students and Chaperones going to Anjo, Japan, and Waitakere, New Zealand.

Keith Bohr introduced **the visiting Student Ambassadors** from Anjo, Japan: Miho Ohiwa, Ako Saito, Mihori Inoue and Miyako Ishikawa. The Chaperone from Anjo is Kiny Nagatomo.

Keith Bohr introduced the **American Ambassadors** who will be going to Anjo: Ann Makinson, Brittni Newman, Courtney Oliver, Vanessa Thulsiraj and Chaperone, Janet Carlisle.

The visiting student ambassadors sang a song in Japanese and English and Mayor Cook presented the students with a gift. (160.40)

Mr. Bohr announced that this is the 20th (Twentieth) Anniversary of our Cultural Exchange program and on Friday the students will be planting 50 cherry trees behind the Central Library.

Mr. Dave Simcox, Coordinator, Huntington Beach Junior Lifeguard Program, introduced the coaches who will be going to New Zealand with him this Christmas; Chris Hyink, Kyle Morita and Mike Eich, Assistant Coordinator, Jr. Lifeguard Program. (160.40)

Presentation & Introduction to Mayor Debbie Cook and Council, by Huntington Beach Junior Lifeguard Coach Greg Luttrell.

Coach Luttrell introduced the visiting exchange New Zealand Junior Guard Team from Piha, New Zealand who demonstrated a traditional dance native to New Zealand. (160.40)

Chaperone Anna Schubert introduced the Team and Chaperones from New Zealand.

| New Zealand Team | | |
|-----------------------------|-----------------|-----------------|
| Tim Bailey | Kieran Birch | Michael Brawley |
| Matt Brown | Kurt Buckingham | Zak Buckingham |
| David Commissaris | Victoria Cooper | David Ferguson |
| Ben Forgie | Tom Forgie | Julian Howatt |
| Daniel Kavali | Jessica Lawson | Carl Leonard |
| James Leslie | Olivia Lincoln | Merin O'Brien |
| Julian O'Neale | Hollie Parkes | Cameron Sharpe |
| Mark Spreadury | Kim Thomson | Joelle Thomson |
| Kirsty Turton | Andrew Webber | Chelsea Wills |
| Claire Wilson | | |
| New Zealand Team Chaperones | | |
| Nick Yukich | Sue Forgie | Toby Sharpe |
| Bruce O'Brien | Anna Schubert | Lisa Wheldale |
| Greg Wilson | Johathon Webber | |

A New Zealand Treasure Box and a Plaque from Piha were presented to Mayor Cook. (160.40)

Mayor Cook presented certificates to the team. (160.40)

Presentation to Mayor Debbie Cook, Robert F. Beardsley, Public Works Director, and Geraldine Lucas, Environmental Engineer, from Linda Moulton Patterson, Chairperson, California State Integrated Waste Management Board, a grant for \$120,000 that will be used to install two storm drain runoff treatment structures to improve the quality of storm water entering the Bolsa Chica Wetlands. These will remove trash, debris and pollutants that endanger the ecosystem of the wetlands as a whole. (160.40)

Presentation by Mayor Debbie Cook to Ron Shenkman, Rainbow Disposal, a Certificate of Commendation recognizing Rainbow Disposal for donating thousands of dollars worth of bins and disposal for the Shipley Nature Center Project. (160.40)

Public Comments

Tyler Jordan spoke regarding the importance of every citizen's right to vote. He requested Council to do what is good and right for the City. Mr. Jordan thanked the workers and donors for the July 4th activities.

Debbie Borden objected to the absence of the Invocation from the agenda. Ms. Borden recited "God Bless America."

Marcia Salans read from her Late Communication titled *Marcia Diane Salans and Peanut the Shetland Pony*. She informed Council she has a horse at the Huntington Central Park Equestrian Center and stated that this Center is a true gift to the city and a positive, safe, and drug free environment for children. Ms. Salans thanked Council for its support.

Corinne Dekker submitted a Late Communication titled *Huntington Central Park Equestrian Center*. She stated that the equestrian events generate revenue for the City through the purchase of gas, food, and lodging. Ms. Dekker urged Council's continued support of the Center.

Betsy Snare spoke in favor of the Huntington Central Park Equestrian Center lease agreement and stated that this Center provides a drug free environment and is a great learning experience for our children.

Erin Help informed Council that her horse is boarded at the Huntington Central Park Equestrian Center. She requested that Council keep the Center at its present location. Ms. Help stated that the Therapeutic Riding Center assists mentally and physically disabled persons by building self-confidence.

Tina Schmidt informed Council that she is an art teacher at a local university and brings her art students to the Equestrian Center to study animal motion and behavior. Ms. Schmidt stated that the Center offers a variety of activities and is an inspiring place for learning.

Gwen Forsythe stated the Huntington Central Park Equestrian Center is one of the best run centers in California. Ms. Forsythe expressed her pleasure that the special needs children accomplishments at the Therapeutic Riding Center are very rewarding.

Joey Racano, Ocean Outfall Group (OOG) member, announced that he will run for City Council during the November 2002 General Election. Mr. Racano presented his opinions on various issues with the emphasis on water quality issues.

Kathy Hobstetter recommended that the Huntington Central Park Equestrian Center be preserved for the future of the community.

Topper Horach spoke against districting as proposed by the Charter Amendment petition. Mr. Horach expressed his concern relative to what he believes will be the effect of such a charter amendment on fair representation and the impact on the community if special interest groups control the Council.

Eugene Gallagher, Ibiza Restaurant owner, informed Council he had spoken to the new owners of The Shed property and that this location is planned to be zoned for office and not residential use. Mr. Gallagher requested Council to approve the extension of hours of entertainment. He informed Council the extension is necessary so that his business can remain competitive with those establishments that currently have these provisions. He also emphasized that the City needs to do more to promote tourism at night.

(City Council) City Clerk Directed to Record in the Minutes The Announcement Made of Appointment of Don Stanton to the Planning Commission by City Council Member Peter Green (440.90)

City Council Member Peter Green announced his appointment of Don Stanton to the Planning Commission effective July 1, 2002. Council Member Green presented a brief report of the various organizations with which Mr. Stanton is involved with and his many hours of service to non-profit organizations.

A motion was made by Green, second Cook, to direct the City Clerk to record in the minutes the appointment of Don Stanton to the Planning Commission. The motion carried by the following roll call vote:

AYES: Green, Dettloff, Boardman, Cook, Houchen, Winchell, Bauer

NOES: None

ABSENT: None

(City Council) Decision Made on June 17, 2002 Closed Public Hearing Regarding Appeal Filed by Eugene Gallagher of Two Conditions of Entertainment Permit for Ibiza Restaurant (209 Main Street) - Approved as Amended 1 ½ Hour Extension of Entertainment Permit (12:01 a.m. to 1:30 a.m.) (420.40)

Public hearing on the following was **opened** and **closed** on June 17, 2002.

Appellant/Applicant: Eugene Gallagher

Request: To appeal two conditions to the entertainment permit issued April 17, 2002 to Ibiza Restaurant, 209 Main Street, Huntington Beach. The Appellant/Applicant is requesting: **(1)** An extension of the hours of indoor entertainment to 1:30 a.m. and **(2)** Deletion of the prohibition of dancing at the location.

Location: 209 Main Street, Huntington Beach, CA 92648

Included in the Agenda Packet is:

1. October 2, 1997 City Attorney memorandum regarding *Prevailing Party on Tie Votes*
2. PowerPoint presentation titled *Entertainment Permit* is included in the agenda packet.
3. List of ABC (Alcoholic Beverage Control) On-Sale Establishments in Downtown Area
4. Request For Council Action Uphold the permit as issued by the Police Department.
5. Communication from Philomena Gallegos, owner of property located 205 Fifth Street.

Police Chief Lowenberg introduced Lieutenant Preston Linker who presented a PowerPoint slide report titled *Entertainment Permit*, which is included in the agenda packet. Lieutenant Linker expressed his concerns regarding the potential for more police calls for service if the hours of entertainment were to be extended.

The Police Chief informed Council that there seems to be confusion as to whether the residences above The Shed will remain residences or become office use. He referred to the letter in the packet from Philomena Gallegos advising that the new owner plans to reside in one of the apartments and continue the other, also as a residence.

Council Member Houchen received confirmation that the prohibition of dancing issue is within the purview of the Planning Commission's level of appeal.

Mr. Gallagher approached the podium and in response to Council Member Houchen confirmed that he had spoken to one of the potential purchasers of The Shed Restaurant, and that it is their intent to designate this property adjacent to Mr. Gallagher's business for office use.

Council Member Houchen received clarification from Police Lieutenant Linker that there had been five violations, including noise, resulting in police reports at the Ibiza Restaurant location and stated other locations in the vicinity also have similar violations.

Mayor Pro Tem Boardman received confirmation from staff, that Ibiza's request is to extend the hours of entertainment only, that they currently can serve alcohol until 1:30 a.m.; that the next closest resident is approximately 150 feet away, and of the violations reported, one was for dancing and the balance were for noise.

Referring to her absence at the June 17, 2002 Council meeting, Council Member Dettloff informed Council that she has reviewed the videotape from said meeting regarding this issue and is eligible to vote.

Council Member Dettloff stated that other establishments have these rights and privileges and if it is found that there is a problem in the entire downtown area not just this business, but others as well, that this decision can be reviewed again.

A motion was made by Dettloff, second Houchen to extend the entertainment permit by one and one half hours (12:01 a.m. to 1:30 a.m.).

Prior to casting votes, Council Member Bauer stated that if this motion should pass he would like data on a regular basis on the impact of this decision. He stated that "driving under the influence" arrests have increased as well as drunk driving accidents and in his opinion all of the bars should not serve alcohol past midnight. Council Member Bauer opposed the extension of the entertainment hours, stressing that he believes that extended hours of entertainment will cause more drinking to occur. Discussion was held by Council relative to Council Member Bauer's comments.

Council Member Green expressed concern about the high concentration of drinking establishments in the downtown area.

Council Member Winchell stated that Ibiza currently serves alcohol until 1:30 a.m. and that the issue is to extend Ibiza's entertainment permit to allow entertainment an additional one and one half hours to 1:30 a.m.

A motion was made by Dettloff, second Houchen to extend the entertainment permit by one and one half hours (12:01 a.m. to 1:30 a.m.). The motion carried by the following roll call vote:

AYES: Dettloff, Boardman, Cook, Houchen, Winchell
NOES: Green, Bauer
ABSENT: None

Consent Calendar – Item Removed for Separate Discussion

The following item was removed from the Consent Calendar for separate discussion:

(City Council) Subdivision Agreement between the City and PLC and Approve Final Tract Map No. 15690 of Tentative Tract Map No. 15690 (PLC One Lot Subdivision) – West Side of Edwards Street, S/O Ellis Avenue) (Holly-Seacliff Development Agreement Area) (420.60)

Consent Calendar – Items Approved

On motion by Green, second Houchen Council approved the following Consent Calendar items, as recommended. The motion carried by the following roll call vote:

AYES: Green, Dettloff (Dettloff Abstained from June 17, 2002 minutes), Boardman, Cook, Houchen, Winchell, Bauer
 NOES: None
 ABSENT: None

(City Council/Redevelopment Agency) Minutes - Approved and adopted the minutes of the City Council/Redevelopment Agency Regular meetings of June 17, 2002 as written and on file in the Office of the City Clerk. Submitted by the City Clerk.

(City Council) Approved Scope of Work by Pulse Marketing Related to Zoning and Subdivision Ordinance (ZSO) Section 230.20 Pertaining to Payment of Parkland Dedication in- Lieu Fee - Authorized Expenditures of Funds – Directed Staff to Return to Council by September 2002 with ZSO Revisions (600.10) - **(1)** Approved the scope of work presented by Pulse Marketing for services related to the revision of Zoning and Subdivision Ordinance (ZSO) Section 230.20; and authorized the Director of Community Services to expend \$11,000 from the Park Acquisition & Development Fund, Professional Services Account #20945101.69300, and **(2)** Directed staff to return to Council with revisions to ZSO, Section 230.20 through the Planning Commission by September 2002. Submitted by the Community Services Director. Funding Source: Revenue generation for the Park Acquisition & Development Fund from development impact fees; \$11,000 for consultant services for additional nexus study work will be paid from the PA&D Fund, Professional Services Account.

(City Council) Approved Consent For Pending Sale of Property from PLC, A California General Partnership to Lennar Homes of California - W/S of Edwards Street - S/O Ellis Avenue (Tract 15690) in the Holly Seacliff Development Agreement Area (420.60) - **(1)** Pursuant to Section 4.2 of the Holly Seacliff Development Agreement, approved the request by PLC for the City Council to provide consent for the pending sale of property on the west side of Edwards Street, south of Ellis Avenue (Tract 15690) to Lennar Homes of California, Inc.; and **(2)** Approved *Certificate of Consent to the Sale of Property and the Assumption of Rights, Duties and Obligations by and Between the City of Huntington Beach, PLC, and Lennar Homes of California, Inc.* and authorized the Mayor and City Clerk to execute and authorized the City Clerk to record said document with the Orange County Recorder. Submitted by the Planning Director. Funding Source: Not Applicable.

(City Council) Approved Plans and Specifications and Authorized Advertisement for Bids of the Arterial Highway Rehabilitation Program Projects; Warner Avenue, (Springdale Street to Beach Boulevard); CC-1149 and Newland Street (Hamilton to Atlanta Avenues); CC-1157 (600.50) – Approved the project plans and specifications and authorized the Director of Public Works to request bids for the Arterial Highway Rehabilitation Projects, CC-1149 & CC-1157 contingent upon Caltrans approval of the plans, specifications and estimate. Submitted by the Public Works Director. Funding Source: Combination of Federal Arterial Highway Rehabilitation Program (AHRP) Grant and Gas Tax Funds. Allocation of funding: Gas Tax - \$1,348,993; Federal AHRP Grant - \$472,090; Total Project Funding - \$1,821,083.

(City Council) Approved Instructional Recreational Class Instructor Budget Amendment – Community Services Department (320.45) – Authorized the appropriation of \$310,100 from the General Fund Unappropriated Fund Balance into Instructional Classes-Professional Services Account #10045406.69300 to pay recreation class instructors. Submitted by the Community Services Director. Funding Source: \$310,100 from the General Fund Unappropriated Fund Balance into Instructional Classes-Professional Services Account.

(City Council) Approved the Re-Appointments of Al Hendricker and Bob Anderson to the Environmental Board – Terms to Expire June 30, 2006 (110.20) – Approved the re-appointments of **Al Hendricker** and **Bob Anderson** to the Environmental Board for terms to expire June 30, 2006 as recommended by Council liaisons Mayor Pro Tem Connie Boardman and Council Member Shirley Dettloff. Submitted by the Planning Director.

(City Council) Accepted Bid and Awarded Construction Contract to SRD Engineering, Inc. for the Storm Drain Improvements to Five Catch Basins in the Downtown Area, CC-1186 (600.60) – **(1)** Accepted the lowest responsive/responsible bid submitted by SRD Engineering, Inc. in the amount of \$62,758 for Five Catch Basins in the Downtown Area, CC-1186; and **(2)** Authorized the Mayor and City Clerk to execute a construction contract in substantially the same form as the attached sample contract. Submitted by the Public Works Director. Funding Source: \$70,000 is budgeted in the General Fund, Storm Drain Maintenance, Drainage Improvements Account.

(City Council) Adopted Resolution No. 2002-65 to Continue Participation in the Orange County Service Authority for Abandoned Vehicles (SAAV) and Increased the Appropriation in the SAAV Fund Police Department (340.60) – **(1)** Adopted **Resolution 2002-65** – “A Resolution of the City Council of the City of Huntington Beach to Continue Participation in the Orange County Service Authority for Abandoned Vehicles” and **(2)** Authorized the appropriation of \$120,650 from the SAAV revenue account 87500875 and \$80,000 from the unreserved, undesignated General Fund for a total appropriation of \$200,650 to the SAAV Program Fund, 87570209; and **(3)** Authorized the expenditure of the funds for police program related equipment. Submitted by the Chief of Police. Funding Source: The total program cost for fiscal year 2001/2002 is \$200,650. Of this amount \$120,650 already exists in the SAAV revenue account. The \$80,000 balance to be appropriated from the unreserved, undesignated General Fund Balance will be reimbursed by the Orange County Transportation Authority (OCTA).

(City Council) Approved Appropriation and Created Business Unit for Police Department Property and Evidence Unit (320.10) – **(1)** Established a new business unit and approved the expenditure of those funds to pay for equipment upgrades and related costs within the Police Department's Property and Evidence Unit. **(2)** Appropriated \$69,000 from the unreserved, undesignated General Fund Balance. Submitted by the Chief of Police. Funding Source: Appropriate \$69,000 from the unreserved, undesignated General Fund Balance to be fully offset by revenues received.

(City Council) Approved Subdivision Agreement between the City and PLC and Approved Final Tract Map No. 15690 of Tentative Tract Map No. 15690 (PLC One Lot Subdivision) – West Side of Edwards Street, S/O Ellis Avenue) (Holly-Seacliff Development Agreement Area) (420.60)

Mayor Pro Tem Boardman requested this agenda item be removed from the Consent Calendar for clarification as to whether this street section is private or public and who will be responsible for maintenance.

Mr. Bill Holman, PLC Company representative, clarified that PLC will landscape and since this is a public street, the cost of the maintenance that is done by City crews would be reimbursed to the City from a trust account paid for by the homeowners and developer.

A motion was made by Dettloff second Bauer to approve the following:

(1) Approve Final Tract Map No. 15690 and accept the offer of dedication, improvements, and bonds pursuant to findings and requirements. (See **Attachment No. 1** below.) **(2)** Approve *Subdivision Agreement by and Between the City of Huntington Beach and PLC, A California General Partnership for Tract No. 15690. (Attachment No. 6)*, and authorize execution by the Mayor and City Clerk. **Attachment No. 1 – Findings for Acceptance of Final Map (1)** Final Tract Map No. 15690 is in conformance with the California Subdivision Map Act, the City of Huntington Beach Subdivision Ordinance and Tentative Tract Map No. 15690 conditions of approval, as approved by the City Council. **Requirements:** **(1)** Acceptance of offer of dedication shall be subject to completion of improvements and requirements shown on the final map. **(2)** The City Clerk shall file the following bonds with the City Treasurer: (a) Faithful Performance No. B32649220 (Attachment 7). (b) Labor and Material Bond No. B32649220 (Attachment No. 7). (c) Monument Bond No. B32649221 (Attachment No. 7) **(3)** The City Clerk shall affix her signature to the map and release it for recordation by the County of Orange.

The motion carried by the following roll call vote:

AYES: Green, Dettloff, Winchell, Bauer
 NOES: Boardman, Cook
 ABSENT: None (Houchen out of room)

The Mayor Recessed the City Council/Redevelopment Agency Meetings and Convened the Meeting of the Huntington Beach Public Financing Authority With all Recorded Present Except Council Member Houchen Out of Room.

(Public Financing Authority) Approved Appropriation of Funds from the South Beach Phase II Revenue Bonds for Beach Maintenance Facility (330.60) – Appropriated funds in the amount of \$300,000 from the HBPFA Lease Revenue Bonds, 2001 Series A, to the Beach Maintenance Facility Project, Account No. 30187030.82200. Submitted by the Public Works Director. Funding Source: Huntington Beach Public Financing Authority (HBPFA) Lease Revenue Bonds, 2001 Series A, in the amount of \$300,000, to be appropriated.

A motion was made by Boardman, second Green to appropriate funds in the amount of \$300,000 from the HBPFA Lease Revenue Bonds, 2001 Series A, to the Beach Maintenance Facility Project, Account No. 30187030.82200. The motion carried by the following roll call vote:

AYES: Green, Dettloff, Boardman, Cook, Houchen, (Houchen returned prior to motion being made), Winchell, Bauer
 NOES: None
 ABSENT: None

The Mayor Adjourned the Huntington Beach Public Financing Authority Meeting to convene the Civic Improvement Corporation Annual Meeting:

(Civic Improvement Corporation) Annual Meeting of the Huntington Beach Civic Improvement Corporation (125.20)

President Cook Called to Order the Annual Meeting of the Huntington Beach Civic Improvement Corporation.

Huntington Beach Civic Improvement Corporation Roll Call

Present: Green, Dettloff, Boardman, Cook, Houchen, Winchell, Bauer
Absent: None

Election of Officers

A motion was made by Winchell, second Green to approve the election of Mayor Debbie Cook – President, Mayor Pro Tem Connie Boardman – Vice President, and City Clerk Connie Brockway – Secretary.

The motion carried by the following roll call vote:

AYES: Green Dettloff, Boardman, Cook, Houchen, Winchell, Bauer
NOES: None
ABSENT: None

(Civic Improvement Corporation) Approved and Adopted Minutes

A motion was made by Green, second Boardman to approve and adopt the minutes of the Huntington Beach Civic Improvement Corporation regular meetings held August 6, 2001 and November 5, 2001 as written and on file in the Secretary's Office. The motion carried by the following roll call vote:

AYES: Green, Dettloff, Boardman, Cook, Houchen, Bauer
NOES: None
ABSENT: None
ABSTAIN: Winchell (meetings were held prior to term of office)

President Cook Adjourned the Annual Meeting of the Huntington Beach Civic Improvement Corporation.

Reconvened the City Council/Redevelopment Agency Meetings

(City Council) Adopted Resolution No. 2002-64 Establishing the Workforce Reduction Incentive Program – Two Years' Additional Service Credit Under the California Public Employees' Retirement System (CalPERS) (700.50)

The City Council considered a communication from the Administrative Services Department informing Council that as announced at the June 17, 2002, City Council Meeting, the adoption of **Resolution No. 2002-64** will implement the Workforce Reduction Incentive Program, which is designed to address the Fiscal Year (FY) 2001/2002 \$3 million General Fund budget shortfall and an expected shortfall in FY 2002/2003. The Workforce Reduction Incentive Program is one of several efforts underway to reduce expenditures. By offering the Workforce Reduction

Incentive Program, it is hoped that General Fund salary expenditures can be reduced by creating enough vacancies to only eliminate unoccupied positions. Currently, employee salaries and benefits account for 75 percent of all General Fund expenditures. The other efforts underway to reduce expenditures are: A hiring freeze; developing additional department-generated revenue; increased departmental reductions, Department Heads have already identified \$1.4 million of the needed \$3 million. It is hoped that the Workforce Reduction Incentive Program will help find the other 1.6 million still needed to balance the FY 2001/2002 budget.

City Administrator Ray Silver presented a PowerPoint presentation submitted by the Administrative Services Department to the City Clerk's Office on July 1, 2002 titled *Workforce Reduction Incentive Program*.

A motion was made by Green, second Houchen to adopt **Resolution No. 2002-64** – “A Resolution of the City Council of the City of Huntington Beach to Grant a Designated Period for Two Years Additional Service Credit.” - Establishing the Workforce Reduction Incentive Program – Two Years' Additional Service Credit Under the California Public Employees' Retirement System (CalPERS.) The motion carried by the following roll call vote:

AYES: Green, Dettloff, Boardman, Cook, Houchen, Winchell, Bauer
NOES: None
ABSENT: None

(City Council) Approved Standard Lease Agreement Between the City and Park Bench Café, Inc. Concession at Huntington Central Park, 17332 Goldenwest Street (600.35)

The City Council considered a communication from the Administrative Services Director and the Community Services Director requesting Council approval of the renewal of the lease between the Park Bench Café, Inc. and the City using the standard concessionaire lease agreement. In February 2002, the City Council approved a standard lease to be used when renewing leases for all beach and park food and rental concessions. This new lease includes an alternate rent structure, as allowed under the standard lease agreement, in order to compensate the Park Bench Café for park related adverse operating conditions that have plagued the operation.

Michael Hennessey, Real Estate Services, gave a PowerPoint presentation titled *Park Bench Café, Late Communication Item F-3*. Mr. Hennessey requested that Council approve the lease agreement with the Park Bench Café subject to the following changes itemized on above referenced communication.

Mayor Pro Tem Boardman inquired why the lease provisions reflected a lower rent charge. Mr. Hennessey informed Council that the Park Bench Café will be doing ongoing maintenance at its location.

A motion was made by Dettloff, second Green to approve the renewal of *Lease Between the City of Huntington Beach and Park Bench Café for 17732 Golden West Street* using the standardized lease agreement with terms and conditions as presented herein and authorize the Mayor and City Clerk to execute. The motion carried by the following roll call vote:

AYES: Green, Dettloff, Boardman, Cook, Houchen, Winchell, Bauer
NOES: None
ABSENT: None

(City Council) Approved Pursuit of Corporate Partnership with Don Schulte of Public Enterprise Group for Financial Services (Affinity Credit Card – Procurement Card - ATM Services (340.10)

The City Council considered a communication from the City Treasurer and the Community Services Director requesting Council approval for the city to pursue a new corporate partnership for affinity credit card, procurement card, and ATM services.

Community Services Director Ron Hagan answered Council's questions regarding this proposal. Director Hagan stated that if successful the proposal would return to Council with the deal points for approval.

Council Member Winchell requested clarification on the recoverable draw. Director Hagan stated that the City would be paid the recoverable draw from Public Enterprise Group if it is unsuccessful in developing a corporate banking partnership agreement.

A motion was made by Dettloff, second Bauer to:

1. Approve the concept of a corporate banking partner, and authorize staff to negotiate a contract and return to Council with a banking partnership agreement under the terms and conditions outlined herein; in the Request for Council action dated July 1, 2002.
and
2. Approve a recoverable draw for Public Enterprise Group (Don Schulte) in an amount not to exceed \$5,000 per month for six months for the purpose of soliciting, negotiating, and developing the final corporate banking partnership agreement. The not to exceed \$30,000 draw will be deducted from the agent's commission upon approval of the financial agreement or paid back to city if an agreement is not approved by Council; and
and
3. Authorize the appropriation of \$30,000 from Account #10031100.1999 (General Fund Unappropriated Fund Balance) into Account #10045101.69300 (Community Services Professional Services) to pay the recoverable draw to Public Enterprise Group.

The motion carried by the following roll call vote:

AYES: Green Dettloff, Cook, Houchen, Winchell, Bauer
NOES: Boardman
ABSENT: None

(City Council) Approved Amendment to Concession Agreement Between the City and National Equestrian Centers, Inc. for the Huntington Central Park Equestrian Center Regarding City Water Issues (600.35)

The City Council considered a communication from the Community Services Director informing Council that per City Council direction, the city is amending the concession agreement with National Equestrian Centers, Inc. for the operation of the Huntington Central Park Equestrian Center to address the use of city water and other issues relating to the Equestrian Center. In 2001, City Council directed staff to begin negotiations with the Equestrian Center Concessionaire to amend the original lease so that the Equestrian Center paid for water consumption instead of the city providing free water to the center, which was a condition of the original agreement.

Community Services Director Ron Hagan gave a PowerPoint presentation from a Late Communication titled *Huntington Central Park Equestrian Center – Agenda Item F-5*.

The City Council asked various questions regarding the current cost for water and requested clarification of the lease agreement percentages, rent, and options for fee increases in the future. Director Hagan reported in detail.

A motion was made by Dettloff, second Green to Approve the *Amendment to Concession Agreement Between the City of Huntington Beach and National Equestrian Centers, Inc. for the Huntington Central Park Equestrian Center*, and authorize the Mayor and City Clerk to execute same. The motion carried by the following roll call vote:

AYES: Green, Dettloff, Boardman, Cook, Houchen, Winchell, Bauer
NOES: None
ABSENT: None

(City Council/Redevelopment Agency) Adopted Ordinance Nos. 3558 and 3559 and Agency Ordinance No. 2 to Amend City/Agency Transient Occupancy Tax Allocation (TOT) Split (Main Pier Redevelopment Subarea) (340.55) – Introduction of Ordinances approved on June 17, 2002.

After the City Clerk reads by title, a motion was made by Green, second Houchen to adopt **Ordinance No. 3558** – “*An Ordinance of the City of Huntington Beach Amending Chapter 3.28 of the Huntington Beach Municipal Code Relating to Credit for Transient Occupancy Taxes,*” and **Ordinance 3559** – “*An Ordinance of the City of Huntington Beach Amending Ordinance No. 2974 to Provide a Credit for the Payment of Transient Occupancy Taxes to the Huntington Beach Redevelopment Agency.*” The motion carried by the following roll call vote:

AYES: Green, Dettloff, Houchen, Winchell, Bauer
NOES: Cook, Boardman
ABSENT: None

****Ordinance No. 2 – See motion and vote after adoption of Ordinance 3565.**

(City Council) Adopted Ordinance No. 3563 Amending Specific Plan No. 7 (Ellis – Goldenwest) by Adding Religious Assembly to Permitted Uses/Development Standards (450.30) – Public hearing held and introduction approved on June 17, 2002) Submitted by the Planning Director.

After the City Clerk read by title, a motion was made by Green, second Winchell to adopt **Ordinance No. 3563** -- “*An Ordinance of the City of Huntington Beach Amending SP 7 (Ellis Goldenwest Specific Plan) by Adding Religious Assembly as a Permitted Use as well as Development Standards for Religious Assembly and Public School Uses.*” The motion carried by the following roll call vote:

AYES: Green, Dettloff, Boardman, Houchen, Winchell, Bauer
NOES: None
ABSENT: None
ABSTAIN: Cook

(City Council) Adopted Ordinance No. 3564 – Amending Huntington Beach Municipal Code Chapter 17.6 Establishing Benefit Area Districts (Holly Seacliff Area – Ellis-Goldenwest Specific Plan) (350.30) **Ordinance No. 3564** – Public hearing held and introduction approved on June 17, 2002. Submitted by the Public Works Director.

After the City Clerk read by title, a motion was made by Green, second Houchen to adopt **Ordinance No. 3564** – *“An Ordinance of the City of Huntington Beach Amending Chapter 17.68 of the Huntington Beach Municipal Code Regarding Area of Benefit Districts.”*

The motion carried by the following roll call vote:

AYES: Green, Dettloff, Cook, Houchen, Winchell, Bauer
NOES: Boardman
ABSENT: None

(City Council) Adopted Ordinance No. 3565 Adding Huntington Beach Municipal Code Chapter 5.71 Pertaining to Escort Service Businesses (640.10) – Introduction approved as amended on June 17, 2002.

After the City Clerk read by title, a motion was made by Green, second Boardman to adopt **Ordinance No. 3565** – *“An Ordinance of the City of Huntington Beach Adding Chapter 5.71 to the Huntington Beach Municipal Code Pertaining to Escort Services.”* The motion carried by the following roll call vote:

AYES: Green, Dettloff, Boardman, Cook, Houchen, Winchell, Bauer
NOES: None
ABSENT: None

****(Redevelopment Agency) Adopted Agency Ordinance No. 2 to Amend City/Agency Transient Occupancy Tax Allocation (TOT) Split (Main Pier Redevelopment Subarea)** (340.55)

After the Agency Clerk read by title, a motion was made by Green, second Winchell to adopt **Ordinance No. 2** – *“An Ordinance of the Redevelopment Agency of the City of Huntington Beach Amending Ordinance No. 1 and Levying a Tax on the Privilege of Occupying a Room or Rooms in a Hotel, Inn Tourist Home or House, Motel, or Other Lodging Located Within the Main Pier Redevelopment Sub-Area of the Huntington Beach Redevelopment Project.”*

The motion carried by the following roll call vote:

AYES: Green, Dettloff, Cook, Houchen, Winchell
NOES: Boardman
ABSENT: Bauer (Out of room)

Adjournment – City Council/Redevelopment Agency

Mayor Cook adjourned the regular meetings of the City Council/Redevelopment Agency of the City of Huntington Beach to Monday, July 15, 2002, at 5:00 p.m., in Room B-8 Civic Center, 2000 Main Street, Huntington Beach, California.

City Clerk and ex-officio Clerk of the City Council of the City of Huntington Beach and Clerk of the Redevelopment Agency of the City of Huntington Beach, California

ATTEST:

City Clerk-Clerk

Mayor-Chairman